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Proposed Special Counsel
for the Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF NEW YORK

In re: Chapter 11

JUAN ALFARO DESIGN, INC, Case No. 19-42177-cec

Debtor.

NOTICE OF APPICATION EMPLOY AND RETAIN SILVERSTEIN & SAPERSTEIN AS SPECIAL COUNSEL FOR THE DEBTOR, NUNC PRO TUNC, AS OF JUNE 1, 2019

PLEASE TAKE NOTICE that, upon the annexed motion of Adam Silverstein, Esq., attorney for Juan Alfaro Design, Inc, ("Debtor"), the annexed exhibits, and Debtor's affirmation in support, a motion will be made before the Honorable Carla E. Craig, Courtroom 3529, at the United States Bankruptcy Court for the Eastern District of New York, at the Conrad B. Duberstein Courthouse, 271-C Cadman Plaza East, Brooklyn, NY 11201, on July 17, 2019 at 1:45 p.m., for the entry of an order to employ and retain Silverstein & Saperstein as special counsel for the debtor, nunc pro tune, as of June 1, 2019.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.) If you do not want the court to enter an Order granting any of the relief herein requested, or if you want the court to consider your views on the motion, then on or before July 10, 2019, you or your attorney must:

1. File with the court a written request for a hearing or, if the court requires a written response, an answer, explaining your position, at:

United States Bankruptcy Court Eastern District of New York 271-C Cadman Plaza East, Ste 1595 Brooklyn, New York 11201

2. If you mail your response to the court for filing, you must mail it early enough so the court will receive it on or before the date stated above; You must also send a copy to:

Silverstein & Saperstein, 30 Wall Street, 8th Floor, New York, NY 10005

- 3. Attend the hearing scheduled to be held on Tuesday, July 9, 2019 at 2:00 p.m., in the United States Bankruptcy Court, located at 271-C Cadman Plaza East, Courtroom 3529, Brooklyn, New York 11201; and
- 4. Take any and all other steps required to oppose a motion under local rule or court order. If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

Dated: June 6, 2019 New York, NY

s/ Adam Silverstein, Esq.

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In re: Chapter 11

JUAN ALFARO DESIGN, INC,

Case No. 19-42177-cec

Debtor.

APPLICATION BY THE DEBTOR TO EMPLOY SILVERSTEIN & SAPERSTEIN AS SPECIAL CHAPTER 11 COUNSEL

TO: United States Bankruptcy Judge Carla E. Craig

Juan Alfaro Design, Inc., debtor and debtor-in-possession ("Alfaro" or the "Debtor"), submits this Application for the entry of an order pursuant to sections 327(a), 327(e) 328(a) and 329(a) of Title 11 of the United States Code (the "Bankruptcy Code") and Fed. R. Bankruptcy 2014(a) authorizing the debtor's retention and employment of Silverstein & Saperstein as special counsel *nunc pro tunc* as of June 1, 2019.

In support of this Application, Alfaro respectfully states as follows:

JURISDICTION AND VENUE

- 1. The Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
- 2. The statutory basis for the relief requested herein are sections 105(a), 363(b), 507(a)(3) and 507(a)(4) of Title 11 of the United States Code, 11 U.S.C., et seq. (the "Bankruptcy Code").
- 3. Venue of the case and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

- 4. On April 10, 2019 (the "Petition Date"), Alfaro commenced with this Court a voluntary case under Chapter 11 of the Bankruptcy Code. Alfaro is authorized to continue to manage its affairs as debtor in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this Chapter 11 case.
- 5. The debtor is a design and build metal fabricator.
- 6. The bulk of the assets of the debtor are located at 53 9th Street, Suite 37B, Brooklyn, New York.
- 7. An individual at this location, Steve Hasenfeld, and his corporation, HMH Iron Design, Inc., have unlawfully taken possession of these assets of the debtor, including tools, equipment and materials that are necessary for the debtor to function.
- 8. Mr. Hasenfeld refuses to tender the assets despite demand, necessitating an application to enforce the Automatic Stay.
- 9. Further application for civil contempt or for referral to the District Court may also be necessary to obtain compliance.
- 10. Absent the retrieval of these assets, there is no way the debtor will be able to complete the reorganization.

RELIEF REQUESTED

11. Alfaro wishes to employ Silverstein & Saperstein as special counsel to represent and assist Alfaro during the course of this case in retrieving the property of the estate from an individual, Steve Hasenfeld and a New York Corporation, HMH Iron Design, Inc. and to perform other such other legal services as may be reasonably necessary to Alfaro's continuing operations, as more fully described below.

SILVERSTEIN & SAPERSTEIN'S QUALIFICATIONS

- 12. Alfaro has selected Silverstein & Saperstein as its counsel because of the firm's knowledge of Alfaro's operations and financial affairs and because of the firm's extensive general experience and knowledge, and its tenacity in recovering property.
- 13. Prior to the Petition Date, Silverstein & Saperstein performed legal work for Alfaro but was not involved in its preparation for the filing of this case.
- 14. Silverstein & Saperstein has represented Alfaro in various litigated matters with creditors and with respect to collections of accounts receivable and has represented Alfaro with respect to prospective contracts and business arrangements pre-petition.
- 15. The services provided by Silverstein & Saperstein have required the expertise and assistance of Silverstein & Saperstein's attorneys practicing in a variety of areas, including general litigation, leasing, corporate law.
- 16. Silverstein & Saperstein is well acquainted with Alfaro's history, operations, structure and related matters, and Silverstein & Saperstein has the necessary background to deal effectively with the potential legal issues and problems that may arise in the context of this Chapter 11 case.
- 17. Alfaro is confident in Silverstein & Saperstein and believes that Silverstein & Saperstein is well qualified to represent it in connection with the matters set forth herein.
- 18. Silverstein & Saperstein has indicated a willingness to act on behalf of the debtor and to render the necessary professional services as attorneys for Alfaro.

SERVICES TO BE RENDERED

19. The services rendered or to be rendered by Silverstein & Saperstein as special Chapter 11 counsel include the following:

20. To marshal, retrieve and retain the property of the estate such that Alfaro may accomplish the reorganization plan.

SILVERSTEIN & SAPERSTEIN'S DISINTERESTEDNESS

- 21. Alfaro has reviewed the Declaration containing the verified statement of Silverstein & Saperstein partner Adam Silverstein filed concurrently with this Application (the "Declaration"). To the best of Alfaro's knowledge, and as set forth more fully in the Statement, the shareholders of, counsel to, and associates of Silverstein & Saperstein do not hold or represent any interest adverse to Alfaro, and do not have any connection with Alfaro, its creditors, any other party in interest, its respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, except as may be set forth in the Declaration.
- 22. Based on the Declaration, Alfaro believes that Silverstein & Saperstein is a "disinterested person" under Section 327 of the Bankruptcy Code. Alfaro has been informed that Silverstein & Saperstein will conduct an ongoing review of its files to ensure that no disqualifying circumstances arise, and if any new relevant facts or relationships are discovered, Silverstein & Saperstein will supplement its disclosure to the Court. Alfaro does not believe that the information disclosed in the Declaration should preclude Silverstein & Saperstein from representing Alfaro in this Chapter 11 case.
- 23. In the event that the United States Trustee, the Court, or other parties assert or are concerned that Silverstein & Saperstein is not disinterested, Alfaro requests that a hearing be scheduled.

PROFESSIONAL COMPENSATION

- 24. Silverstein & Saperstein has agreed to be compensated in accordance with the provisions set forth in Section 330 of the Bankruptcy Code and will apply to the Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, this Court's Instructions for Filing a Chapter 11 Case and orders of this Court.
- 25. As set forth more fully in the Declaration, and subject to the Court's approval, Silverstein & Saperstein will invoice services in this matter at \$500 per hour.
- 26. Silverstein & Saperstein will also bill Alfaro for its actual, reasonable and necessary outof-pocket disbursements incurred in connection with the Chapter 11 case.
- 27. Alfaro proposes that the court: (i) authorize Silverstein & Saperstein to schedule a hearing on its application for allowance of fees and reimbursement of expenses not more than once every ninety (90) days; (ii) allow Silverstein & Saperstein to submit their regular monthly bills to Alfaro, with copies to the Committee of Unsecured Creditors and the Office of the United States Trustee; and (iii) authorize Alfaro to pay up to 80% of such fees and 100% of such costs on a monthly basis, subject to later court approval.
- 28. Any fees and costs incurred prior to the Petition Date have been paid from operating funds.

NOTICE AND PRIOR RELIEF

- 29. No previous application has been made for the employment of attorneys.
- 30. This Application has been served on the parties specified in Local Rule 2014-1(a).
- 31. WHEREFORE Alfaro respectfully requests that this Court enter an order approving

employment of Silverstein & Saperstein as special Chapter 11 counsel <u>nunc</u> pro tunc to June 1, 2019.

Dated June 12, 2019	Juan Alfaro Design, Inc.		
	Ву: _	s/ Juan Alfaro Juan Alfaro	

In re: Chapter 11

JUAN ALFARO DESIGN, INC,

Case No. 19-42177-cec

Debtor.

DECLARATION OF ADAM SILVERSTEIN, ESQ. IN SUPPORT OF APPLICATION TO APPOINT SILVERSTEIN & SAPERSTEIN AS SPECIAL CHAPTER 11 COUNSEL

- I am an attorney duly admitted to practice before this Court and a partner of the firm Silverstein & Saperstein, 30 Wall Street, 8th Floor, New York, NY 10005.
- 2. I submit this Affidavit in support of the Application of Juan Alfaro Designs, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor") to Employ and Retain Silverstein & Saperstein as special counsel Debtor in connection with the above-captioned Chapter 11 case on the terms set forth in the accompanying Application.
- 3. Neither I, nor Silverstein and Saperstein, or any attorney associated with us has any connection with the Debtor, its creditors, or any other party in interest herein or their respective attorneys.
- 4. Furthermore, neither I nor Silverstein & Saperstein or any attorney at Silverstein & Saperstein is a pre-petition creditor of the debtor.
- 5. Based upon all of the foregoing, I respectfully submit that Silverstein & Saperstein does not hold nor represent any interest adverse to the debtor herein or its estate, in the matters upon which they are to be engaged.
- 6. Silverstein & Saperstein shall make proper application to the court for compensation for the services rendered to the debtor in this proceeding pursuant to §330 of the bankruptcy

code and pursuant to the procedures established by the order pursuant to 11 U.S.C. Sections 105(a) and 331 establishing procedures for monthly compensation and reimbursement of expenses of professionals as may be further entered by this court.

Disinterestedness:

7. To the best of my knowledge, the law firm of Silverstein & Saperstein is a disinterested person within the meaning of § 101(14) of the bankruptcy code in that its members and associates (a) are not creditors, equity security holders or insiders of the debtor, (b) are not and were not within two years before the filing date a director, officer or employee of the debtor, (c) do not have an interest materially adverse to the interest of the estate, or any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in the debtor, or for any other reason.

Disclosure Procedures:

- 8. In preparing this affidavit, a conflict search was conducted which compared a list of the debtor's known creditors, members, directors, officers, debtors, and financial institutions, and the U.S. Trustee for Region 2, and members of his office (the "potential party list") against Silverstein & Saperstein's computer database of all existing and prior matters and contacts (the "database"). No parties on the potential party list were identified by deponent as current or former clients of the firm, or in any way related, such that Silverstein & Saperstein could not be opposed to them.
- 9. Based on our investigation, Silverstein & Saperstein is a disinterested party within the meaning of section 101(14) of the bankruptcy code, holds nor represents any adverse interest to and has no connections to the debtor, the debtor's estate, its creditors or any other party in interest herein or their respective attorneys and accountants with respect to

- matters for which Silverstein & Saperstein is to be engaged, other than as specifically set forth above.
- 10. Silverstein & Saperstein is not aware of any past or present relationship that would disqualify Silverstein & Saperstein from representing the debtor.

Billing Rates:

- 11. Silverstein & Saperstein's billing rates for 2019 are as follows: partners: \$500.00 per hour; Associates, \$35—425 per hour; law clerks/paralegals \$65-100 per hour
- 12. Silverstein & Saperstein shall promptly notify the debtor, with a copy to the office of the U.S. Trustee, of all changes in Silverstein & Saperstein's billing rates.
- 13. Silverstein & Saperstein received a pre-petition retainer from the debtor in the total amount of \$1,500 none of the pre-petition retainer was paid towards or on account of any antecedent debt owed to the deponent's firm by the debtor within bankruptcy code §547 period. Furthermore, no payments other than the pre-petition retainer were received by deponent's firm within the bankruptcy code §547 period. Accordingly, deponent submits that the pre-petition retainer received by deponent's firm is not a preferential or otherwise avoidable payment and that neither deponent nor deponent's firm holds nor represents any adverse interest to the debtor or its estate on matters in which deponent seeks to be retained. This retainer shall be applied towards chapter 11 fees and expenses, and is therefore not to be considered an "evergreen retainer" as such term is more commonly known.
- 14. Silverstein & Saperstein has agreed not to share compensation received in connection with the debtor's proceeding with any other entity, except as permitted under the bankruptcy code for sharing among members and associates of Silverstein & Saperstein.

Wherefore, your deponent respectfully requests the entry of the order annexed to the application as exhibit "b", together with such other and further relief as is proper.

Adam Silverstein, Esq.

Sworn to before me this 1

Day of June, 2019

Notary public

MARIA NIEVES
Notary Public - State of New York
NO. 01NI6177292
Qualified in Dutchess County
My Commission Expires Apr 4, 2020

In re: Chapter 11

JUAN ALFARO DESIGN, INC,

Case No. 19-42177-cec

Debtor.

ORDER AUTHORIZING AND APPROVING RETENTION OF BALISOK & KAUFMAN PLLC AS ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION NUNC PRO TUNC AS OF JUNE 1, 2019

UPON the application, dated June 12, 2019 (the "Application"), of the above captioned debtor and debtor-in-possession (the "Debtor"), seeking to retain Silverstein & Saperstein as special counsel to the Debtor pursuant to §327(a) of title 11 of the United States Code, 11 U.S.C. §§101, et seq. (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"); and upon the Affidavit of Adam Silverstein, Esq. sworn to on June 12, 2019 (the "Silverstein Affidavit"); and the Court having found that Silverstein & Saperstein neither holds nor represents an interest adverse to the Debtor or its estate, is disinterested within the meaning of §101(14) of the Bankruptcy Code, and that its employment is necessary and would be in the best interest of the estate, it is hereby

ORDERED that the Application is granted as set forth herein; and it is further

ORDERED that, pursuant to §327(a) of the Bankruptcy Code, the Debtor is authorized to retain Silverstein & Saperstein as its attorneys in this case, *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Application and Silverstein Affidavit; and it is further ORDERED that pursuant to section §327(a), Silverstein & Saperstein shall seek compensation for legal services and reimbursement of expenses upon an application to the Court, and upon notice

and a hearing pursuant to §330 and 331 of the Bankruptcy Code, and Bankruptcy Rule 2014 and

14 E.D.N.Y.L.B.R.2014-1 and the Guidelines of the Office of the United States Trustee; and it is

further

ORDERED that prior to any increases in Silverstein & Saperstein rates, Silverstein & Saperstein

shall file a supplemental affidavit with the Court and provide ten (10) business days' notice to the

Debtor, the United States Trustee and any official committee, which supplemental affidavit shall

explain the basis for the requested rate increases in accordance with §330(a)(3)(F) of the

Bankruptcy Code and state whether the Debtor has consented to the rate increase. The United

States Trustee retains all rights to object to any rate increase on all grounds including, but not

limited to, the reasonableness standard provided for in §330 of the Bankruptcy Code, and all rates

and rate increases are subject to review by the Court; and it is further

ORDERED, that Silverstein & Saperstein shall apply any remaining amounts of its prepetition

retainer as a credit toward post-petition fees and expenses, after such post-petition fees and

expenses are approved pursuant to the first Order of the Court awarding fees and expenses to

Silverstein & Saperstein; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from

the implementation of this Order; and it is further

ORDERED that if there is any inconsistency between the terms of this Order, the Application, and

the supporting Affidavit, the terms of this Order shall govern.

NO OBJECTION:

/s/ U.S. Trustee

In re: Chapter 11	
JUAN ALFARO DESIGN, INC,	Case No. 19-42177-cec
Debtor.	

CERTIFICATE OF SERVICE

STATE OF NEW YORK	}	
	SS:	
COUNTY OF KINGS	}	

I, Adam Silverstein, hereby declare, under penalty of perjury under the laws of the United States of America, and pursuant to 28 U.S.C. § 1746, that on June 12, 2019 2019, I caused to be served a copy of 1) NOTICE OF APPLICATION TO EMPLOY AND RETAIN SILVERSTEIN & SAPERSTEIN AS SPECIAL COUNSEL FOR THE DEBTOR, NUNC PRO TUNC, AS OF JUNE 1, 2019, by regular mail upon each of the parties listed on the "service-list" below by depositing true copies of same in sealed envelopes, with postage pre-paid thereon, in an official depository of the United States Postal Service within the borough of Brooklyn, in the City and State of New York.

Dated: June 12, 2019 Brooklyn, NY

Adam Silverstein, Esq.

Service List:

Rachel Wolf, Esq. Office of the United States Trustee 201 Varick Street, Suite 1006 New York, NY 10014

150 Sullivan Street Realty, LLC C/O Harvey M. Greene Esq 150 Sullivan St Brooklyn, NY 11231-1113

Better Accounting Solutions 1650 Eastern Pkwy Brooklyn, NY 11233-4804 Century Waste Services, LLC 623 Dowd Ave Elizabeth, NJ 07201-2125

Chase Business 270 Park Ave New York, NY 10017-2014

Con Edison
12 Gold St

Brooklyn, NY 11201

Financial Pacific Leasing 3455 S 344th Way Auburn, WA 98001-9560

Forward Financing 100 Summer St # 1175 Boston, MA 02110-2106

Funding Circle 747 Front St Fl 4 San Francisco, CA 94111-1922

Kabbage, Inc. 130 W 25th St Fl 8 New York, NY 10001-7473

Lease Corporation of America 3150 Livernois Rd Ste 300 Troy, MI 48083-5000

Liberty Industrial Gases and Welding Supplies 600 Smith St Brooklyn, NY 11231-2116

M. Ludvik Engineering PC 55 Washington St Ste 555 Brooklyn, NY 11201-1089

MCRL 162 Industrial Blvd Ste 2A Hanson, MA 02341-1538

NATIONWIDE Insurance & Financial Service 7111 Northern Blvd Jackson Heights, NY 11372-1046

Partners Capital Investment Group 1330 Avenue of the Americas Fl 22 New York, NY 10019-5494

Penn Stainless Products, Inc. 190 Kelly Rd Quakertown, PA 18951-4208 Scottrade Bank Equipment Finance Scottrade Bank 700 Maryville Centre Dr Saint Louis, MO 63141-5824

Swift Capital 3505 Silverside Rd Wilmington, DE 19810-4905

TCF Equipment Finance 11100 Wayzata Blvd Ste 801 Minnetonka, MN 55305-5503

Virtua Computers 112 W 34th St Fl 18 New York, NY 10120-0001

Wells Fargo Forklift Lease 420 Montgomery St San Francisco, CA 94104-1207

Yarde Metals 999 Motor Pkwy Hauppage, NY 11788